

**FLOOR STATEMENT OF  
THE HONORABLE JAMES L. OBERSTAR  
H.R. 6532, HIGHWAY TRUST FUND RESTORATION ACT  
JULY 23, 2008**

- Madam Speaker, I rise today in strong support of H.R. 6532, the Highway Trust Fund Restoration Act.
- This bipartisan legislation, introduced by Committee on Ways and Means Chairman Rangel, ensures full funding of the highway and public transportation investment levels authorized by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (“SAFETEA-LU”), and prevents a possible devastating cut in each State’s Federal highway funds.
- SAFETEA-LU provides \$41.2 billion for Federal-aid highways and \$10.34 billion for public transportation in fiscal year 2009.
- Unfortunately, Highway Trust Fund revenues are falling behind what was anticipated when SAFETEA-LU was enacted in 2005.
- If this situation is not proactively addressed, the American Association of State Highway and Transportation Officials has estimated that the shortfall in the Highway Account of the Trust Fund could lead to a devastating \$14 billion, or

34 percent, cut in Federal highway investment in FY 2009. A 34 percent cut in each State's Federal highway funds would lead to a loss of nearly 380,000 family-wage jobs, at a time when we are attempting to revive the U.S. economy.

- Under current funding for the highway and highway safety programs, outlays from the Highway Trust Fund are projected to exceed revenues and balances by more than \$4 billion by the end of FY 2009.
- H.R 6532 addresses the upcoming shortfall in the Highway Trust Fund's Highway Account by restoring \$8.017 billion in highway user fee revenue that were transferred to the General Fund by the 1998 surface transportation reauthorization law, the Transportation Equity Act for the 21<sup>st</sup> Century ("TEA-21").
- As part of the TEA 21 conference agreement, section 9004(a) of TEA 21 required that the balance of the Highway Account of the Highway Trust Fund be reduced to \$8 billion as of October 1, 1998. This figure was based on an estimate of the minimum prudent balance for the Highway Account assuming the funding levels in TEA 21.

- The Bureau of Public Debt executed this provision by transferring \$8,017,355,427 from the Highway Trust Fund to the General Fund on October 1, 1998.
- While these funds were thought to be “excess” at the time, the Highway Trust Fund is now facing a significant shortfall in FY 2009. Earlier this year, the President's Budget estimated a shortfall of \$3.2 billion by the end of FY 2009. Since then, gas prices have risen dramatically, and Americans are driving less. In fact, Americans have driven 20 billion fewer miles overall this year.
- As a result, gas tax revenues are down -- \$2 billion less was collected during the first eight months of FY 2008 compared to the same period in FY 2007. This unexpected and severe decline in revenues makes it even more critical that we take decisive action now to ensure the solvency of the Highway Trust Fund.
- This bipartisan bill restores the \$8 billion that was taken from the Trust Fund in 1998, thereby ensuring the Trust Fund remains solvent through the current authorization period.

- Restoring the \$8 billion is appropriate because it represents highway user revenues that were intended to be used for highway purposes, not shifted to the General Fund. In 1998, these amounts were viewed as unnecessary to support highway program funding levels. However, now that it is clear these amounts are needed to support the highway program, it is incumbent upon us to return these user fees to the Highway Trust Fund, where they may be used for their originally intended purpose.
- Both the Congressional Budget Office and the Joint Committee on Taxation have determined this proposal does not constitute a spending outlay, would not violate pay-go, and will have no revenue effect.
- While H.R. 6532 is a short-term solution to a much broader problem, it is essential that we resolve this immediate crisis. I look forward to working with the Committee on Ways and Means Committee to develop a sustainable financing proposal to address the nation's transportation needs during the highway, highway safety, and transit authorization bill in 2009.
- I thank Chairman Rangel of the Committee on Ways and Means for his assistance in ensuring the continued operation of the highway programs. I also thank my Committee colleagues, Ranking Member Mica, Highways and Transit

Subcommittee Chairman DeFazio, Subcommittee Ranking Member Duncan, and the overwhelming majority of our colleagues on the Committee on Transportation and Infrastructure, for working with me on this critical bipartisan legislation.

- I urge my colleagues to support H.R. 6532.